



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	ORDER NO. D07-98
AMERICAN HONDA)	
MOTOR COMPANY, INC.,)	CONSENT ORDER
)	IMPOSING A FINE
A Service Contract Provider)	
_____)	

COMES NOW the Insurance Commissioner of the State of Washington ("OIC"), pursuant to the authority set forth in RCW 48.02.080 and RCW 48.05.185, and having reviewed the official records and files of the Office of the Insurance Commissioner, makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. American Honda Motor Company, Inc. ("American Honda") sold service contracts on non-motor vehicle products in Washington after October 25, 1999. Although it was not a registered Service Contract Provider, American Honda sold 4,632 service contracts to Washington residents, for gross consideration of approximately two million dollars.

2. When American Honda learned that it was required to register as a service contract provider, on or about August 31, 2006, American Honda applied for registration as a service contract provider with the OIC. The OIC issued American Honda a certificate of registration on September 15, 2006.

CONCLUSIONS OF LAW

1. RCW 48.110.130(3) authorizes the Insurance Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of a company's certificate of registration for violation of Chapter 48.110 RCW.

2. American Honda's unregistered sale of service contracts violated RCW 48.110.030(1).

CONSENT TO ORDER

NOW, THEREFORE, American Honda consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of American Honda's fine on such terms and conditions as are set forth below:

1. American Honda consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order;
2. Within thirty days of the entry of this Order, American Honda agrees to pay to the OIC a fine in the amount of \$25,000;
3. Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of American Honda's status as a registered Service Contract Provider; and
3. American Honda understands and agrees that any future failure to comply with the statutes which are the subject of this Order constitutes grounds for further penalties which may be imposed in direct response to that further violation.

EXECUTED this 23 day of March, 2007.

AMERICAN HONDA MOTOR COMPANY, INC.

By:  C. BADEKMAN.

Title: ASST. VICE PRESIDENT A&M MC BRIDEN.

ORDER OF THE INSURANCE COMMISSIONER

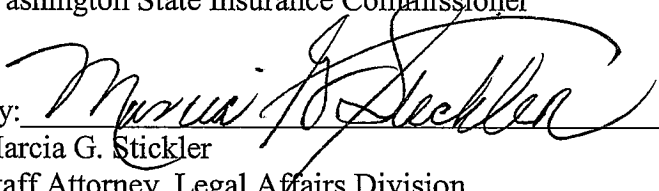
NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. American Honda Motor Company, Inc. is ordered to pay a fine in the amount of \$25,000 (twenty five thousand dollars).
2. \$25,000 (twenty five thousand dollars) must be paid in full within thirty days of the date of entry of this order. Failure to pay this fine and to adhere to the conditions shall constitute grounds for revocation of

American Honda Motor Company, Inc.'s status as a registered Service Contract Provider, and in the recovery of the fine through a civil action brought on behalf of the Commissioner by the Attorney General.

ENTERED AT TUMWATER, WASHINGTON this 27th day of March, 2007.

Mike Kreidler
Washington State Insurance Commissioner

By: 
Marcia G. Stickler
Staff Attorney, Legal Affairs Division